



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 17, 1999

James Jensen
Savage Industries, Inc.
5250 South 300 West, Suite 200
Salt Lake City, Utah 84107

Re: Bond Adjustment, Savage Industries, Inc., Savage Coal Terminal, ACT/007/022, Folder #3, Carbon County, Utah

Dear Mr. Jensen:

The recent renewal of the Savage Coal Terminal permit has prompted us to review the reclamation cost estimate and reevaluate the bond amount for the site in accordance with R645-301-830.400. The results of the bond review are discussed in the enclosed Technical Analysis and Findings document prepared by Senior Reclamation Specialist Wayne Western. You will note that additional information must be supplied in order for us to do an accurate reclamation cost estimate.

You will need to provide the additional information which can be factored into the reclamation cost estimate by no later than September 30, 1999. We encourage you to meet with our Engineer, Wayne Western to go over the information and calculations prior to submitting them. At some point it is anticipated that a revised bond amount will be posted which will reflect the more accurate information.

Please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Daron R. Haddock'.

Daron R. Haddock
Permit Supervisor

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enclosure

cc: Price Field Office

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